

WSCC Board Addition Committee
Minutes
February 23, 2021
10:30 a.m.
WSCC – by remote access via MS
Teams

WSCC Board in Attendance:

Frank Finneran, Chair - WSCC Board Addition Committee
Deryl Brown-Archie, WSCC Board Addition Committee
Bob Flowers, WSCC Board Addition Committee
Nicole Grant, WSCC Board Addition Committee
Jerry Hillis, WSCC Board Addition Committee
Craig Schafer, WSCC Board Addition Committee

WSCC Staff / Consultants in Attendance:

Jeff Blosser, WSCC President / CEO
Linda Willanger, WSCC VP – Administration / AGM
Jon Houg, WSCC VP – Operations
Sam Hecker, WSCC Chief Financial Officer
Chip Firth, WSCC CFO (former)
Michael McQuade, WSCC Director of Sales
Paul Smith, WSCC Director of Information Systems
David Cononetz, WSCC Director of Facilities
Michael Murphy, WSCC Project Coordinator
Lorrie Starkweather, WSCC Executive Assistant to President & Board of Directors
Matt Hendricks, General Counsel
Becky Bogard, Bogard & Johnson
Fred Eoff, PFM Financial Advisors, LLC
Matt Griffin, Pine Street Group
Matt Rosauer, Pine Street Group
Jane Lewis, Pine Street Group
Arnetta Libby, Pine Street Group
Jason Foley, Pine Street Group
Ashley Lippincott, Pine Street Group
Gary Fluhrer, Foster Garvey
Chris Raftery, Raftery CRE
Gary Smith, Clark Lewis
Ben Eitan, Clark Lewis
Margery Aronson, Art Advisor

Guests in Attendance:

Karen Suderth

Chairman Finneran called the meeting to order at 10:30 a.m. with Committee members participating by MS Teams videoconference/teleconference and public access via telephone. Following unanimous approval of the consent agenda and comments on the focus on schedule, costs, and financing, Finneran asked Griffin to lead the review.

Schedule delays by the steel subcontractor, American Bridge, continue as do COVID-19 challenges. Nevertheless, progress continues with more than 700 workers on site, growing to 1,000 workers this summer. The team is focused on expediting the enclosure and finish work that follows the steel. Construction north of Olive Way is proceeding as planned.

When considering a potential project shutdown, the primary goal is to enclose the building and finish the Site C podium, so Hudson Pacific Properties (HPP) can close on the purchase. The team is planning for extension of the Master Use and building permits if the Addition or either of the co-developments is delayed. The major Street Improvement Permit is nearly complete, which will eliminate that risk.

In budget and finance, the project continues to draw down the various contingencies. It is unclear yet whether the contingencies will be sufficient to complete the project. The project is being managed as though the contingencies will be insufficient, saving costs whenever possible.

The team continues to work with the City, County and State on \$315 MM in loans to bridge the COVID-19 financing gap. The County is leading, the City has now agreed to work toward a solution, and progress is being made with the State. It will be a long process to the finish.

In other sources, the request from the State to cover COVID-19 costs will not be funded as requested from the original CARES Act. However, the new approach is to request funding from the \$1.9 B relief package under way at the Federal level, either to cover COVID-19 costs or reimbursement of taxes not received by WSCC due to pandemic impacts.

On the co-developments, HPP is moving forward, showing no hesitation about closing on the office development but now requesting the ability to delay the construction start by 12 to 18 months. Impacts of this delay are being analyzed. On the residential project, new documents have been negotiated to reflect timing issues relative to the current demand for living in downtown Seattle.

On quality, there are remaining cost issues in design components being addressed. Rosauer hopes to have those wrapped up by summer. The project continues to perform well on Outreach metrics, including apprentices which are now nearly 18 percent of the workforce. The art program is quiet except for continued work on integration issues, particularly relative to the entries artworks by the Native American cohort.

What's Next Now is preparing to release the results of its study on the performance of formerly incarcerated individuals working on the Addition site as compared to the performance of workers not formerly incarcerated. Previously incarcerated individuals can be denied jobs on some construction sites. The study was funded by private contributions.

Griffin reported that contracts are in good shape and that C-L has started discussions with American Bridge on its obligations for delays. Looking ahead, new contracts will be required for whatever financing bridge is established.

Murphy reported that a counteroffer on the marshalling yard had just been received, which is less than the amount desired but worth consideration. An analysis will be provided for discussion.

Chairman Finneran announced that the Committee would hold an Executive Session pursuant to RCW 42.30.110 (1) (b) to discuss a real estate contract matter for ten (10) minutes and commenced at 10:55 a.m. In addition to the Board members present (Finneran, Brown-Archie, Flowers, Grant, Hillis, Schafer), attendance at the Executive Session included Blosser, Hecker, Firth, Hendricks, and Fluhrer. The Executive Session concluded at 11:05 a.m., lasting 10 minutes. The regular open meeting reconvened at 11:05 a.m.

Upon reopening the public meeting, Hillis made a motion to authorize the Board Chair to execute the residential co-development documents discussed in Executive Session. Brown-Archie seconded, and the motion was carried by the unanimous approval of the Board members present via videoconference/teleconference.

There being no further business, the meeting was adjourned at 11:10 a.m.